

July 5, 2005

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DOCKET FILE COPY ORIGINAL

Re: **REDACTED -- FOR PUBLIC INSPECTION***Verizon Communications Inc. and MCI Inc. Applications for Approval of Transfer of Control, WC Docket No. 05-75*

Dear Ms. Dortch:

At the request of Commission staff, MCI is supplementing MCI's May 26, 2005 Response to Information and Data Request in the above-captioned proceeding. This supplementation -- which includes confidential and highly confidential material subject to the Protective Orders<sup>1</sup> adopted in this proceeding -- relates to the following specifications:

**Specification 1(c)**

At the request of Commission staff, MCI is providing, in Confidential Supplemental Exhibit 1(c), the number of MCI customers with (1) between \$250 and \$7,000 in annual revenue; (2) between \$7,000 and \$50,000 in annual revenue; and (3) between \$50,000 and \$ 1 million in annual revenue, as well as the percentage of MCI's revenue accounted for by customers in each of those categories.

**Specification 3(a)**

At the request of Commission staff, MCI is providing, in the Attachment to this letter, a description of each of the nine service categories for which MCI provided revenue data in Exhibit 3(a)(1).

**Specification 5**

At the request of Commission staff, MCI is providing supplemental descriptions of the data provided in Exhibits 5(a) and 5(c).

<sup>1</sup> See *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, WC Docket No. 05-75, DA 05-1538, ¶ 1 & Appendix A (FCC rel. May 25, 2005); *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, WC Docket No. 05-75, DA 05-647 ¶ 2 & Appendix A (FCC rel. March 10, 2005).

**Exhibit 5(a):** Exhibit 5(a) provides revenue and circuit count data for MCI's Metro Private Line service. Metro Private Line is an intraLATA service that is, in most applications, equivalent to incumbent LEC special access. In some cases, however, customers' use of Metro Private Line is equivalent to incumbent LEC "local private line" service. Because MCI does not determine whether its customer is using a Metro Private Line circuit as a "special access" circuit rather than as a "local private line" circuit, Exhibit 5(a) provides revenue and circuit count data for MCI's Metro Private Line service in its entirety.

**Exhibit 5(c):** Exhibit 5(c) provides revenue and circuit count data for MCI's "U.S. Private Line" service, which is a domestic interLATA private line service. Any revenue from the provision of intraLATA private line services would be included in the Metro Private Line revenue reported in Exhibit 5(a), as is discussed above.

#### **Specifications 8a(1) and 8(a)(2)**

In MCI's Response to Information and Data Request, MCI provided, in Exhibit 8(a)(1)-8(a)(2), customer data and circuit data for each of MCI's Internet services, as requested by specifications 8(a)(1) and 8(a)(2). In Confidential Supplemental Exhibit 8(a)(1)-8(a)(2), MCI is now providing, at staff's request, revenue data for each of MCI's Internet services.

#### **Specification 8(a)(4)**

In MCI's Response to Information and Data Request, MCI provided, in Exhibit 8(a)(4), the average traffic exchanged with peers, in Terabytes/day. In Highly Confidential Supplemental Exhibit 8(a)(4) MCI now provides, at staff's request, the total traffic exchanged with peers in Terabytes for the final month of each quarter in 2004 and 2005.

#### **Specification 8(a)(5)**

In MCI's Response to Information and Data Request, MCI provided, in Exhibit 8(a)(5)(2), the average traffic for each of MCI's top 20 U.S. wholesale customers, in Terabytes/day, for the first quarter of 2005. In Highly Confidential Supplemental Exhibit 8(a)(5)(2), MCI now provides, at staff's request, the total traffic for each of MCI's top 20 U.S. wholesale customers in Terabytes for March 2005.

#### **Specification 8(a)(6)**

In MCI's Response to Information and Data Request, MCI explained that it could not determine the total number of IPv4 addresses associated with the routes announced on MCI's Internet backbone. However, MCI was able to provide, in Exhibit 8(a)(6), an enumeration of the theoretical maximum possible IPv4 addresses that could be associated with routes announced or advertised on MCI's Internet backbone. At staff's request, MCI provides additional detail concerning the calculation of the data shown in Exhibit 8(a)(6).

Each IPv4 address is 32 bits in length. That address space is divided into two parts: the network address and the host address. For a particular route, the maximum number of host addresses depends on how many of the 32 IPv4 address bits are used for the network address. For example, a network prefix length of 24 bits leaves 8 bits for host addresses, which permits a maximum of 62 host addresses (28 minus one for network address and one for broadcast address.) Similarly, a network prefix length of 8 bits leaves 24 bits for host addresses, which permits a maximum of 16,777,214 addresses ( $2^{24}-2$ ). The theoretical maximum IPv4 addresses shown in Exhibit 8(a)(6) is the sum of the maximum possible host addresses for each of the routes announced on MCI's Internet backbone.

### **Specification 18**

At staff's request, MCI provides the following additional descriptions of certain data provided in Exhibit 18(a)(b)(d).

- Units*            The data in this Exhibit are provided in units of one.
- Tab 4*            Tab 4 of Exhibit 18(a)(b)(d) provides the total number of residential lines for which MCI is the interstate PIC. The data reflect both integrated lines and lines for which MCI provides long distance service on a stand-alone basis. The integrated lines included in Tab 4 are also included in the data in Tab 8, but the stand-alone lines are not included in Tab 8.
- Tab 8*            Tab 8 of Exhibit 18(a)(b)(d) provides the total number of MCI residential local lines. The data reflects both integrated lines and stand-alone local lines. As is discussed above, the integrated lines included in Tab 8 are also included in Tab 4.
- Tab 9*            Tab 9 of Exhibit 18(a)(b)(d) provides the total number of MCI residential integrated accounts. Because Tab 9 provides account-level data, it is not directly comparable to the integrated line data included in Tabs 4 and 8. However, the lines associated with the accounts in Tab 9 are included in Tabs 4 and 8.
- Tabs 5 & 6*        The minute volume data shown on Tabs 5 and 6 of Exhibit 18(a)(b)(d) include all plans, including plans that allow unlimited calling.
- Tab 7*            The term "D1D" on Tab 7 of Exhibit 18(a)(b)(d) refers to "Dial-1 Domestic."

Pursuant to our prior agreement, MCI will file two paper copies of today's redacted exhibits. As required by the Protective Order, MCI is also submitting separately a copy of today's confidential, unredacted exhibits, and two electronic copies of today's exhibits.

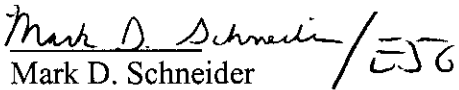
As specified in the May 5th request and pursuant to conversations with FCC staff, staff will be provided with electronic copies of the confidential, unredacted exhibits.

Ms. Marlene Dortch  
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MCI's complete response to the May 5th request, including the materials referenced herein, will be made available for inspection, pursuant to the terms of the applicable protective order, at the offices of Jenner & Block LLP. Counsel for parties to this proceeding should contact Elaine Goldenberg at 202-637-6310 to coordinate access.

Please contact me if you have any questions or concerns.

Sincerely,

  
Mark D. Schneider

## **Attachment 1: Service Category Descriptions**

### **ATM (Asynchronous Transfer Mode data services)**

Asynchronous Transfer Mode (ATM) is a technology based upon international standards for cell-switched, connection-oriented data transmission allowing voice, video, and data communications over a single virtual network. ATM represents a specific implementation of cell relay, where the data packets are known as cells and have a fixed length of 53 bytes. ATM technology serves both the local area network (LAN) and wide area network (WAN) environments, providing scalability for users' current and future needs. It is a public data networking service offering a number of different access speeds and supporting multiple classes of service. ATM provides users with the security and control of a private network, plus the flexibility and economies of a public network.

### **Frame Relay**

Frame Relay is a high-speed data transport service designed to provide cost-efficient data transmission for intermittent traffic between local area networks (LANs) and between end-points in a wide area network (WAN). Information is divided into frames or packets before it travels through a series of switches within the network and arrives at its destination. The routing of the packets is based on the destination address, contained within each packet. Frame Relay uses permanent virtual circuits (PVCs) to transmit the data packets. The PVCs are logical paths configured between two points and they connect the ports together in order for transmission of data to occur.

### **Internet Dedicated**

Internet Dedicated is a suite of dedicated Internet products providing a full range of access services. It offers permanently open, high bandwidth, dedicated connections to MCI's Global Internet backbone network via access circuits of 768 Kbps up to 2,488 Mbps (OC-48) in the U.S. Internet Dedicated includes a standard package of IP services that include Domain Name, DNS, E-mail, News, IP addresses, and Service Level Agreements, as well as 24x7 monitoring.

### **Long Distance**

Outbound Long Distance includes U.S. domestic and international outbound calls placed outside of the local calling area. When a caller dials a one, followed by an area code and a seven-digit local telephone number, the "one" tells the local switch that the call is a long-distance call. The switch sends the call to the appropriate carrier, which transports the call to the local carrier determined by the area code, and the local carrier terminates the call to the end-user using the seven-digit telephone number. Calling card outbound calls can also be made by dialing user-assigned access digits

MCI Toll Free Service (designated by the prefix 800, 888, 877, or 866) is a convenient, flexible service that allows callers to reach, free-of-charge, companies that subscribe to toll-free service. Customers can route their incoming toll-free calls according to their business needs, and in most

cases, without any special equipment or significant expense. MCI provides leading-edge technology and competitive rates from any location in the U.S. (including Alaska and Hawaii), Puerto Rico, Guam, Saipan, the Virgin Islands, Canada, and over 50 countries worldwide

### **Local**

Business Lines, often referred to as POTS (plain old telephone service) lines, provide a single analog communication circuit between the local end office (class-5 switch) and the customer's telephone, key system, fax machine, or modem.

Local Integrated Services Digital Network-Primary Rate Interface (ISDN-PRI) provides a high-speed, intelligent connection to the MCI network. Local ISDN-PRI supports voice, data, video, and applications such as Internet Access, Remote LAN Access, Call Centers, Disaster Recovery, and File Transfer. This service supports simultaneous voice and digital data calls over an industry standard primary rate interface T1 (1.544 Mbps).

Local Trunks are communication circuits between the Local End Office (class 5) and the subscriber's Private Branch Exchange (PBX). MCI offers Basic Trunks and trunks with Direct Inward Dialing (DID) functionality.

### **Metro Private Line**

A point-to-point and point-to-multipoint service that provides cost-effective IntraLata connectivity with speeds ranging from 2.4 Kbps to 10 Gbps over Analog, Digital, Ethernet, SONET and Wavelength services.

### **Private Line**

U.S. Private Line is suite of point to point interLATA data products that provides reliable, secure dedicated connections for private line solutions involving voice, data, video, business continuity and disaster avoidance communications.

### **VoIP**

VOIP is the transmission of voice calls over the internet using SIP protocol. SIP is a flexible, scalable, standards-based, call control protocol that establishes and terminates media sessions.

### **OTHER**

The "other" category includes revenue from customer premises equipment, and from such services as conferencing services, directory assistance, dial-up Internet, IP virtual private networks, MCI Private IP service (a multiprotocol label switching or "MPLS" service), managed services, paging, and surcharges.



Bucket	SEGMENT	2004 Revenue	# of Customers	% of Total MCI Revenue
>=\$250 and <\$7,000	COMMERCIAL ACCOUNTS GLOBAL GOVERNMENT WHOLESALE			
>=\$250 and <\$7,000 Total				
>=\$7,000 and < \$50,000	COMMERCIAL ACCOUNTS GLOBAL GOVERNMENT WHOLESALE			
>=\$7,000 and < \$50,000 Total				
>=\$50,000 and <\$1M	COMMERCIAL ACCOUNTS GLOBAL GOVERNMENT SYSTEM INTEGRATORS WHOLESALE			
>=\$50,000 and <\$1M Total				
<b>Grand Total</b>		<b>\$ -</b>	<b>-</b>	

Segment	Total 2004 Revenue
CA	
Globals	
Govt	
SI	
WHSL	
<b>TOTAL USSS/WHSL Revenue \$</b>	<b>-</b>

\* 2004 Revenue has been restated based on the 2005 customer hierarchy

REDACTED FOR PUBLIC INSPECTION





**Segment Name****Month****Mar-04****Count      Revenue****COMMERCIAL ACCOUNTS**

Number of Dial Access Customers  
 Number of Dedicated Access  
 Customers (DSL, T1, T3, and OC)  
 Number of DSL Lines  
 Number of T1 Lines  
 Number of T3 Lines  
 Number of OC Lines

**GLOBAL ACCOUNTS**

Number of Dial Access Customers  
 Number of Dedicated Access  
 Customers (DSL, T1, T3, and OC)  
 Number of DSL Lines  
 Number of T1 Lines  
 Number of T3 Lines  
 Number of OC Lines

**GOVERNMENT**

Number of Dial Access Customers  
 Number of Dedicated Access  
 Customers (DSL, T1, T3, and OC)  
 Number of DSL Lines  
 Number of T1 Lines  
 Number of T3 Lines  
 Number of OC Lines

**SYSTEM INTEGRATORS**

Number of Dial Access Customers  
 Number of Dedicated Access  
 Customers (DSL, T1, T3, and OC)  
 Number of DSL Lines  
 Number of T1 Lines  
 Number of T3 Lines  
 Number of OC Lines

**WHOLESALE**

Number of Dial Access Customers  
 Number of Dedicated Access  
 Customers (DSL, T1, T3, and OC)  
 Number of DSL Lines  
 Number of T1 Lines  
 Number of T3 Lines  
 Number of OC Lines

Jun-04		Sep-04		Dec-04		Mar-05	
Count	Revenue	Count	Revenue	Count	Revenue	Count	Revenue

[illegible][illegible]

**Note:**  
Terrabyte = 1,020,000,000 bytes

OUT (TRAMonth)

OUT (TRAMonth)




DOCKET NO.

05-75

Attachment A

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

- o This document is confidential (**NOT FOR PUBLIC INSPECTION**)
- o An oversize page or document (such as a map) which was too large to be scanned into the ECFS system.
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- o Other materials which, for one reason or another, could not be scanned into the ECFS system.

The actual document, page(s) or materials may be reviewed (**EXCLUDING CONFIDENTIAL DOCUMENTS**) by contacting an Information Technician at the FCC Reference Information Centers) at 445 12<sup>th</sup> Street, SW, Washington, DC, Room CY-A257. Please note the applicable docket or rulemaking number, document type and any other relevant information about the document in order to ensure speedy retrieval by the Information Technician

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